NOT FOR PUBLICATION

UNITED STATES COURT OF APPEALS

FOR THE NINTH CIRCUIT

FILED

AUG 01 2006

CATHY A. CATTERSON, CLERK
U.S. COURT OF APPEALS

HALL STREET ASSOCIATES, L.L.C., a Washington Limited liability company, Plaintiff - Appellee, v. MATTEL INC., a Delaware corporation, Defendant - Appellant, and TYCO INDUSTRIES, INC, a Delaware corporation; TYCO MANUFACTURING CORP., an Oregon corporation; TYCO TOYS, INC., a Delaware corporation; VIEW-MASTER IDEAL GROUP, INC., an Oregon corporation, Defendants.	No. 05-35721 D.C. No. CV-00-00355-REJ MEMORANDUM*

HALL STREET ASSOCIATES, L.L.C., a Washington Limited liability company, Plaintiff - Appellee,	No. 05-35906 D.C. No. CV-00-00355-REJ

* This disposition is not appropriate for publication and may not be cited to or by the courts of this circuit except as provided by 9th Cir. R. 36-3.

v.

MATTEL INC., a Delaware corporation,

Defendant - Appellant,

and

TYCO INDUSTRIES, INC, a Delaware corporation; TYCO MANUFACTURING CORP., an Oregon corporation; TYCO TOYS, INC., a Delaware corporation; VIEW-MASTER IDEAL GROUP, INC., an Oregon corporation,

Defendants.

Appeal from the United States District Court
for the District of Oregon
Robert E. Jones, District Judge, Presiding

Argued and Submitted July 25, 2006
Portland, Oregon

Before: GOODWIN, REINHARDT, and GRABER, Circuit Judges.

This appeal of the district court's refusal to enforce an arbitration award is before us for the second time. *See Hall St. Assoc., LLC v. Mattel, Inc.*, 113 Fed. Appx. 272 (9th Cir. 2004). Initially, we reversed the district court for using an improper standard of review and provided instructions to enforce the arbitration award unless grounds for not doing so existed under either 9 U.S.C. §§ 10 or 11.

Id. at 272. On remand, the district court again failed to enforce the arbitration award, this time because it was "implausible." Implausibility is not a valid ground for avoiding an arbitration award under either 9 U.S.C. §§ 10 or 11.

Although the arbitrator's assessment of the merits in this case contains possible errors of law, those errors are not a sufficient basis for a federal court to overrule an arbitration award. *See Employers Ins. of Wausau v. Nat'l Union Fire Ins. Co. of Pittsburgh*, 933 F.2d 1481, 1486 (9th Cir. 1991) ("We may not predicate reversal on . . . erroneous findings of fact or conclusions of law."); *see also Hawaii Teamsters and Allied Workers Union, Local 996 v. United Parcel Serv.*, 241 F.3d 1177, 1181 (9th Cir. 2001) ("Our task is, in essence, to review the procedural soundness of the arbitral decision, not its substantive merit."). Furthermore, it cannot be said that the arbitrator's decision in this case is "completely irrational." *See Kyocera Corp. v. Prudential-Bache Trade Servs. Inc.*, 341 F.3d 987, 997 (9th Cir. 2003) (en banc) (construing 9 U.S.C. § 10(a)(4), the only subsection of either 9 U.S.C. §§ 10 or 11 that could conceivably apply to the arbitration award in this case). Thus, we remand the case to the district court with instructions to enforce the original arbitration award and declare Mattel the prevailing party. The district court's award of attorneys' fees in favor of Hall

Street is also reversed and the district court should determine the attorneys' fees and costs due to Mattel under the arbitration agreement.

REVERSED AND REMANDED